(b) if so, what are the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) and (b) The Export Oriented Units are eligible for reimbursement of Central Sales Tax (CST) on supplies effected from the Domestic Tariff Area.

Shortfall in the Exports

569. SHRI RAJUBHAI A. PARMAR : Will the PRIME MIINSTER be pleased to state :

(a) whether it is a fact that the steps taken to boost exports, have failed to increase exports to any perceptible degree during 1991-92 and 1992-93 so far;

(b) whether any further steps, including exploitation of agricultural sector, have lately been or are proposed to be taken to meet the export targets; if so, the details thereof; and

(c) the estimated shortfall during the period from April, 1992 and till date and how far it is likely to be made good as a result of the fresh steps during the rest of the current year ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) The export performance depends on a large number of factors such as availability of surpluses for export, agricultural production, industrial production, availability of credit, inflation rate, domestic demand as also global factors such as global trading environment, economic environment in our trading partner countries, external demand for our products etc. The aggregate exports registered a decline of 1.7% in dollar terms during 1991-92. However, during the first six months of the current financial year i.e. April-September, 1992, the aggregate exports registered a growth of 5.4 percent in dollar terms, thus reversing the negative trends witnessed during the previous year. It is worth mentioning that the exports to the General Currency Area (GCA) countries registered a growth of 12.1 percent during this period.

(b) and (c) The export targets are fixed on a financial year basis. Hence, it would not be appropriate to assess its shortfall or otherwise at this stage. However, the Government has taken several initiatives to achieve the export target set for the financial year 1992-93. These include formulation of a short-term action plan for boosting exports during the financial year 1992-93, identification of 34 commodities as 'Extreme Focus Sectors', an intensive dialogue with export houses and leading industrial houses, launching of a national quality awareness programme, exchange of delegations with trading partners, organisation of buyer-seller meets, holding of international trade fairs and exhibitions, etc.

Affairs of Kandla Free Trade Zone

570. SHRIMATI KAMLA SINHA : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that Kandla Free trade zone is on the verge of closure;

(b) if so, what are the reasons therof; and

(c) what measures have been taken proposed to be taken by Government to retrieve the situation ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) No, Sir.

(b) and (c) Do not arise.

Trade-Deficit of India

571. SHRI S. K. T. RAMACHANDRTAN : Will the PRIME MINISTER be pleased to state :

(a) whether the new economic, trade and industrial policies implemented by India have any effect on the trade deficit;

(b) what was the trade deficit in 1990-91 and 1991-92, in terms of rupee as well as dollars; and

(c) the trade deficit during the period from March to October in the current year, month-wise and the figures for corresponding period of the last year ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) and (b) India's trade deficit during 1991-92 amounted to Rs. 3835 crores or US $ 1355 million the lowest in a decade. India's trade deficit during the first six months of the current financial year, i.e., April-September 1992 amounted to Rs. 7485 crores or US $ 2622 million. The higher trade deficit during the current financial year was largely due to the increase in imports. The imports during April-September 1992 increased by 51.4% in rupee terms or by 22.3% in dollar terms. In this connection, it may be mentioned that the increase in import is, to a great extent, to compensate for a severe import compression during the financial year 1990-91 due to critical balance of payments situation.

(c) The figures of trade deficit month-wise during the period March-September 1992, along with the figures for the corresponding months of 1991 are given below :

(Value : Rs. crores)

Month	Trade Deficit	
	1991	1992
March	—198	+59
April	+105	—1244
May	—319	—1501
June	—825	—1765
July	—56	—1606
August	—419	—445
September	—301	—1035

Ban on the Export of Sandalwood

572. SHRI B. K. HARIPRASAD : Will the PRIME MINISTER be pleased to state :

(a) whether Government are aware that thousands of skilled traditional handicraft workers have been rendered jobless due to ban on export of sandalwood; and

(b) whether Government are also aware of the fact that considerable stocks of sandalwood have accumulated with the Government of Karnataka which will rot and go waste if the ban is not lifted immediately which will also hit the export trade and markets and the cottage industry ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) No, Sir. The export of sandalwood only in raw-form, namely, in the form of logs & billets, chips, flakes, dust, powder, pulp, charcoal, roots, shaving & bark is banned. Export of Sandalwood items i.e. Handicrafts and Machine-made products, etc. are allowed as per the new Exim Policy for 1992-97 subject to fulfilment of certain conditions of minimum value addition, maximum weight, etc. As such, the question of skilled traditional Handicraft workers being rendered jobless does not arise as exports of handicrafts continue to be permissible. Moreover the ban ensures that there is adequate supply of sandalwood to skilled traditional handicrafts workers.

(b) As mentioned at (a) above, there is a large domestic market and handicrafts and other finished products are allowed for exports. As such the available stocks can be utilised for value added finished products which will benefit the market and cottage industry and also boost export of finished products.

Expansion of leather industry

573. SHRI SURESH KALMADI : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that Government propose to take steps for massive capacity expansion of leather industry in the country; and

(b) if so, the details thereof and the expectant results therefrom ?